



Portfolio Review and Recommendations Report for U.S. Department of State

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Executive Summary



- U.S. Department of State (DOS) is the fastest growing Federal agency with a 17% growth in personnel.
 DOS occupies 3.5 million rentable square feet (RSF) of GSA-owned space and 4.0 million RSF of GSA-leased space with a total \$234M rent roll
- DOS developed a five-year Real Property Efficiency Plan describing its overall strategic approach to managing its real estate portfolio. The plan includes planned acquisitions and offsets, discusses State's strategies for accommodating an ever-increasing workforce, and planned efficiencies and design standards.
- Since April 2011, DOS has collaborated with GSA's Client Portfolio Planning (CPP) initiative to compliment their facilities planning and help reduce overall portfolio occupancy expenses
- Primary DOS objectives include:
 - Aligned with the Reduce the Footprint Plan, DOS continues to improve space savings in leased and owned facilities by using more efficient space standards, improved utilization rates, and shared common areas such as conference rooms and amenities
 - The State and USAID budget request totals \$50.3 billion to address ongoing and emerging national security challenges, carry out our global diplomatic and development mission, advance the President's signature policy and development initiatives, honor our security commitments to allies and partners, and carry out conflict prevention, nonproliferation, and peacekeeping activities around the world. This drives DOS space requirements and their growth in personnel.
 - Continue to consolidate mission critical and COOP responsive functions in fewer but larger buildings where full control and potential ownership is possible and close to other key DOS operations in Foggy Bottom and Rosslyn
 - Pursue migration strategies from leased to federally owned space including providing funds for the purchase of strategically located real property assets
 - Prioritize housing program and regional, functional and management missions in Foggy Bottom and Rosslyn area, and relocate back-office operations into lower cost areas where appropriate







Portfolio of Opportunities Summary

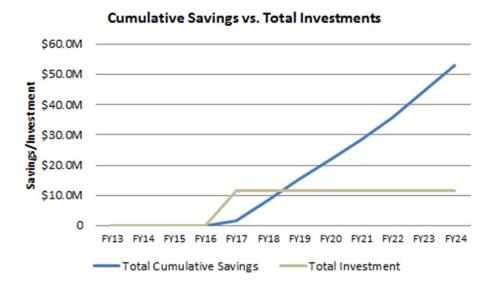
• Even though DOS is growing, 400 C Street SW is an example opportunity where DOS is reducing the footprint:

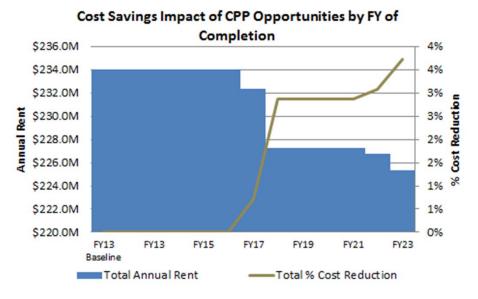
Opportunity*	Description	Estimated Annual Savings (w/o TI)	Agency Upfront Costs ** (Break Even Period)	RSF Reduction
17. Washington, DC Release of Space at 400 C St. SW through Lease Consolidations	DOS will fully vacate 400 C St SW by moving into existing leases and federally owned locations across Washington DC. This opportunity is expected to complete over a number of years.	\$8.7M Rent Savings	\$11.5M (1.7 years)	190,000 Reduction
	TOTAL	\$8.7M /yr	\$11.5M	190,000

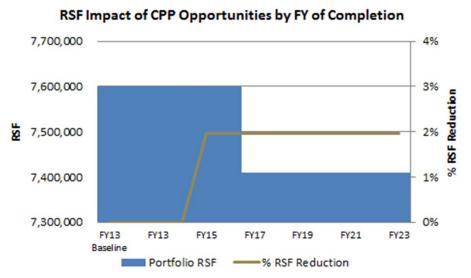


Portfolio of Opportunities Summary (continued)

- The projected timeline and CPP opportunity results for DOS are as follows:
 - Cumulative lease savings as a result of FY15 opportunity of \$8.7M targeted annual rent savings
 - FY15 opportunity targets 190,000 RSF savings or 1% of total lease portfolio
 - Agency investment cost of \$11.5M



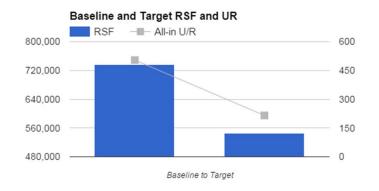




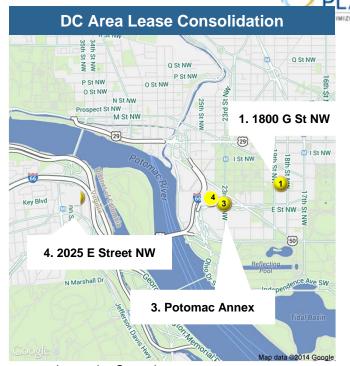
^{*} The Break Even period is defined as the number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs

IMPLEMENTATION OPPORTUNITY 17 | BACKGROUND Washington, DC | Release of Space at 400 C St. SW through Consolidations

- The lease expires at 400 C St, SW January 2, 2018
- Department of State has used a portion of this space to accommodate tenants moving from and back into renovated spaces including the Headquarters, Consular Affairs and other renovated buildings
- DOS has begun to phase out their occupancy before the expiration of the lease
- As DOS is moving out, the OA rent paid by DOS will be eliminated as several agencies have expressed interest in taking over the space occupied by DOS
- Nearly 37,000 square feet of support space will be moved to Springfield, VA. This move reinforces the DOS strategy of moving back-office operating groups to lower cost space



Source: GSA Portfolio data as of 2Q FY14



Leased • Owned

Building	Owned / Leased	RSF	\$/RSF	Annual Rent	OA Expiration
1. 1800 G Street NW	Leased	56k	\$43.86	\$2.5M	3Q FY27
2. 400 C St SW (current location - not pictured)	Leased	190k	\$45.70	\$8.7M	1Q FY18
3. 23rd and E St NW (Potomac Annex)	Owned	83k	\$2.00	\$165k	1Q FY33
4. 2025 E St NW (Red Cross Bldg)	Leased	290k	\$47.24	\$13.7M	4Q FY20
5. 7932 Cluny Ct (not pictured)	Leased	117k	\$11.19	\$414k	1Q FY21
Total (excludes current location of 400 C. St SW)	N/A	546k	\$37.00	\$16.8M	N/A

CLIENT PORTFOLIO

IMPLEMENTATION OPPORTUNITY 17 | DETAIL



Washington, DC | Release of Space at 400 C St. SW through Consolidations

Opportunity Description

- Though the agency is growing, 400 C Street represents DOS efforts to reduce the footprint
- In 2013, DOS began vacating a total of 190k RSF of space in 400 C St SW
- 12,000 RSF of underutilized space (storage, conference and break room) was vacated by DOS in May 2013
- FEMA backfilled the vacant space
- The FY13 reduction in space at 400 C St SW saves \$588,000/yr in 2013 rent and has no move costs associated with the space give-back as no employees or staff were relocated to new facilities

Potential Benefits

- RSF Reduction: 190,000 (26%)
- Annual Rent Savings(w/o TI): \$8.7M (34%)
- Total Investment costs: \$21.0M
 - Total Agency Upfront costs: \$11.5MTotal GSA/Lessor Upfront costs: \$9.5M
 - Agency Break Even: 1.7 years

Agency Breakeven \$ 10... \$ 75... \$ 50... \$ 25... \$ 0.... 17 18 19 20 21 22 23 24 25 26 . Fiscal Year

Agency Priority: X out of XX Ability to Fund (FY14-FY17): GSA-Med;

Agency: Med

Recommended Next Steps

Action	Lead	Date
Work with DOS to clarify	GSA/	Ongoing
opportunities for space	DOS	
utilization and alternative		
work strategies		

Opportunity Review Status

1. GSA Central Office	Approved
2. GSA Regional Office	Approved
3. Client Agency	Approved
4. Operating Unit	Approved

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	НС	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$25,500,000	\$25,500,000	736,000	633,420	1,257	504	8,096
Target	Consolidation	4Q FY17	\$16,800,000	\$16,800,000	546,000	469,901	2,181	215	6,006
Annual TI	Payment in Rent =	\$2M	Target Cost / (Benefit):	(\$8.7M)	(190,000)	(163,519)	924	(288)	(2,090)
# of years TI is	s being amortized =	5 years	Target % Improvement:	(34%)	(26%)	(26%)	73%	(57%)	(26%)
Savings Achieved	to Date (See Outo	omes Report in A	ppendix)	(\$532,080)	(12,000)				

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$9.5M		\$10.6M	\$-	\$0.5M	\$0.4M	\$11.5M	\$21.0M	1.7 years
Funding Source(s)	Lessor		Agency		Agency	Agency			



Washington, DC | Release of Space at 400 C St. SW through Consolidations

Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
FY 13 Move	Leased to Leased	11	DOS partially vacated space in 400 C St SW.	3Q FY12	3Q FY13	Shelagh Bocoum	Completed
Relocate to 1800 G	Leased to Leased	11	The 3rd floor of 400 C St SW (SA-44) has 24,689 usf that will be vacant once the relocation to 1800 G (SA-22) Street occurs in Fall 2015.	2Q FY15	1Q FY16	Falah Alugaily	In-Progress
Relocate to 2025 E St NW	Leased to Leased	11	The remainder of the 400 C St SW 3rd floor has tenants moving to 2025 E St NW (ARC) this spring, and a small office that can relocate to the 6th floor this summer.	2Q FY15	1Q FY16	Falah Alugaily	In-Progress
Move to 7943 Cluny Ct	Leased to Leased	11	The 400 C St SW 7th floor has 19,718 usf that will become available in December 2015 once the move to 7943 Cluny Ct. Springfield, VA (SA-7B) is complete. The rest of that floor is either vacant or can be emptied by this summer.	2Q FY15	1Q FY16	Falah Alugaily	In-Progress
Relocate to Potomac Annex	Leased to Owned	11	DOS to relocate100 people from 400 C Street to Potomac Annex		2Q FY17	Falah Alugaily	In-Progress
FY17 Moves	Leased to Leased	11	Will result in DOS being completely vacated from 400 C St SW	TBD	TBD	TBD	









Task	Who	Timeframe
 Continue to track DOS efforts to reduce their footprint through consolidations. CPP continues to follow high impact opportunities that GSA is currently working on nationally, i.e. consolidation projects in the Washington DC area and field offices. Align these opportunities with DOS Reduce the Footprint plan. 	GSA and DOS	FY16
CPP Team continues to refine the plan and prepare opportunities for transition to implementation and report outcome on completed projects	DOS with GSA	Ongoing
Follow-up reviews to DOS of the PR3 on a recurring twelve-month cycle	DOS with GSA	Aug 2016
Quantify progress on implementation and planned – in development projects from previously developed PR3s with current FY revisions	GSA	Aug 2016
Submit revised FY15 PR3 to OMB	GSA	Sep 2015









DOS Goals	Objectives	Potential Areas of Focus
Achieving Peace and Security	The Bureau of Overseas Building Operations (OBO) provides safe, modern facilities that operate efficiently and promote the diplomatic missions of the U.S. government	 Enhance the operational effectiveness of OBO and other DOS units through strategic planning and collaborations with DOS to consolidate functions where possible in federally owned space. Worldwide OBO has 22,000 occupancies that they construct, operate and maintain in comparison to the 83 leases DOS has with GSA.
Governing Justly and Democratically	Provide efficient facilities with up-to-date technology in order to maximize DOS's ability to work with foreign ambassadors and dignitaries in Washington, DC	 Provide safe, sustainable and technologically advanced facilities for DOS headquarters and OBO operations in the DC area while providing secure communications for operations
Investing in People	Recruit and train top candidates for the foreign services and diplomatic-related positions worldwide. Develop and operate modern embassies, office training and support facilities provided by the Mgmt. Bureau at DOS.	 Develop modern workplaces for DOS headquarters and other operational centers that incorporate the latest workplace designs, have top level security in IT communications, and support a internally mobile work culture and improved space standards.
		 Develop a flexible real estate strategy that is responsive to an agency whose employee populationis growing and has requirements must respond quickly to interanational events
Promoting Economic Growth and Prosperity	Collaborate with other federal agencies to provide sustainable, modern and technologically advanced domestic facilities that meet the requirements of Presidential directives regarding sustainability and remote work	 Focus delineated areas where possible proximate to the Secretary of State's office and the HST center of operations to facilitate DOS operational efficiencies.

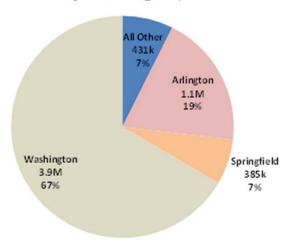
The DOS portfolio is nearly equally divided leased to owned and concentrated in Washington, DC



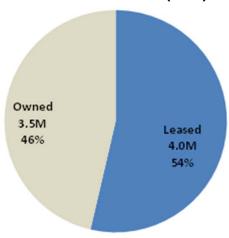
Observations:

- DOS's percentage of leased properties leaves it open to market risks in high-rent-growth metropolitan areas in particular Washington, DC
- DOS continues to move to federal buildings to mitigate these risks
- 88% percent of the total portfolio is comprised of office space
- The Washington market comprises 77% of the total DOS real estate portfolio and provides the greatest opportunity for portfolio optimization
- Proximity to the White House, foreign missions and internal bureaus are critical for efficient DOS operations
- DOS's unique security-related infrastructure requirements significantly impact the agency's real estate requirements and decision-making
- DOS's requirement to have a major presence in Washington, DC creates real-estate related challenges around availability and cost

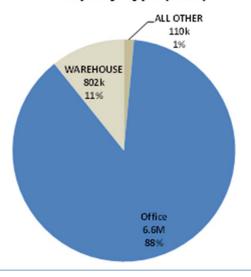
RSF by Washington, DC Submarket



Owned vs. Leased (RSF)



Property Type (RSF)



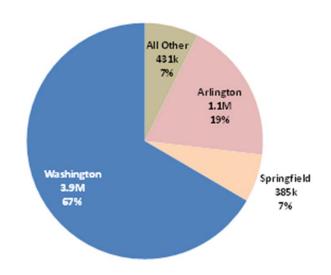
The DOS portfolio in the US is concentrated in the Washington, DC area



Observations:

- The Washington market comprises 77% of the total DOS real estate portfolio and provides the greatest opportunity for portfolio optimization
- Location and proximity are critical for DOS
 - DOS works closely and continuously with the White House, foreign missions and interrelated internal business units
- The DOS's unique security-related infrastructure requirements significantly impact the agency's real estate requirements and decision-making
- DOS's requirement to have a major presence in Washington, DC creates real-estate related challenges
 - Due to high demand for space in the DC area, availability has been a continuous challenge
 - As a result, DOS faces prospectus level rental costs in buildings in Washington, DC and in nearby Rosslyn, VA

RSF by Washington, DC Submarket



Source: GSA Portfolio data as of 2Q FY14

The Washington, DC area has not suffered as deep a decline in demand and rents as many markets



Observations:

- Rental rates in the District and Northern Virginia are among the highest in the country
- Due to its concentration in a high-cost market, there may be limited portfolio optimization opportunities for DOS that can take advantage of market rent differentials

Submarket	Average Rent*	Vacancy Rate
Washington CBD	\$50.58	9.7%
Washington West End/ Georgetown	\$50.23	8.1%
Rosslyn/Courthouse	\$41.47	17.5%
Crystal City	\$40.95	18%

*Note: Prospectus rates for these markets are lower than the average rents shown

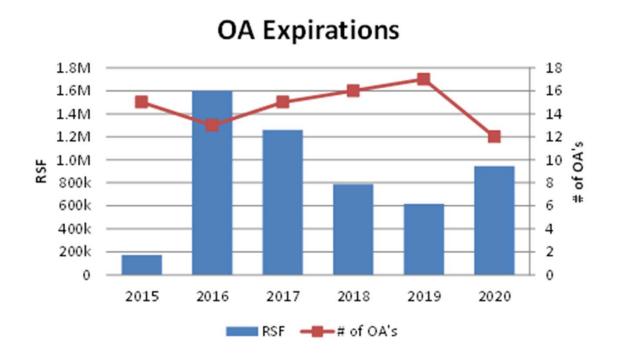
Source: REIS Submarket Trends - 1Q 2014

Nearly two-thirds of the DOS national leased portfolio expires in the next five years



Observations:

- Current and planned DOS consolidations are taking advantage of these expirations
- Consolidations also provide an opportunity to introduce revised workplace standards and alternative workplace strategies to improve utilization

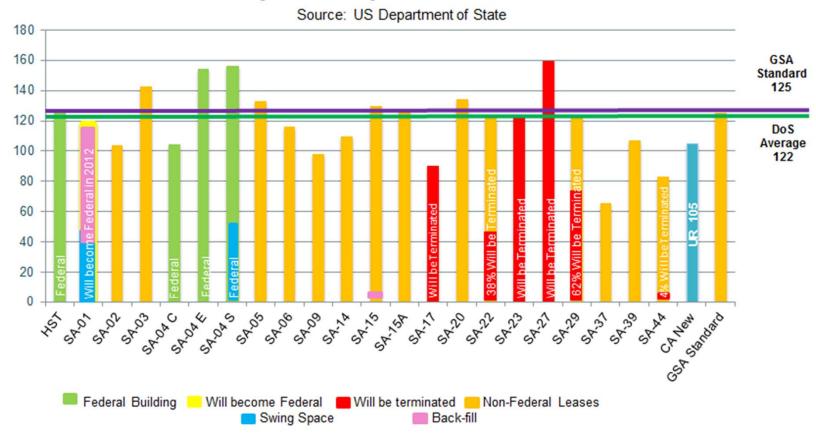


DOS net office space Utilization indicates that DOS is exiting leases with high useable SF/ person metrics



Net Office Space Utilization - National Capital Region

Primary Office Space Utilization Rates

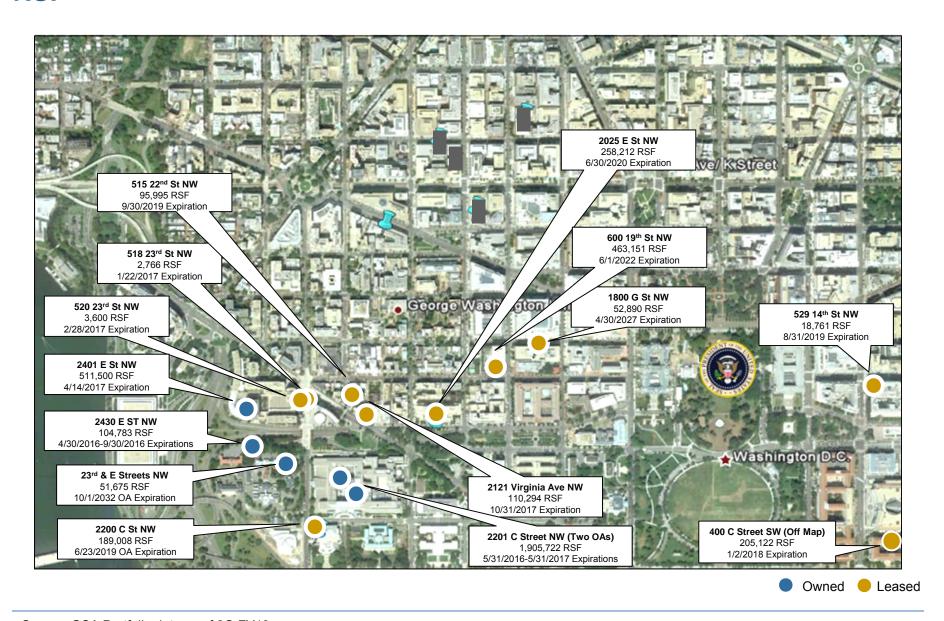


hotes:

- 1) These utilization rates were used for the World Bank Building Consular Affairs Consolidation justification.
- 2) Net = Total USF 20% for support and 22% for interior circulation
- 3) Due to time constraints for delivering the PR3 at the end of FY, a more recent graph is not refected on this page. This represents data from FY14.

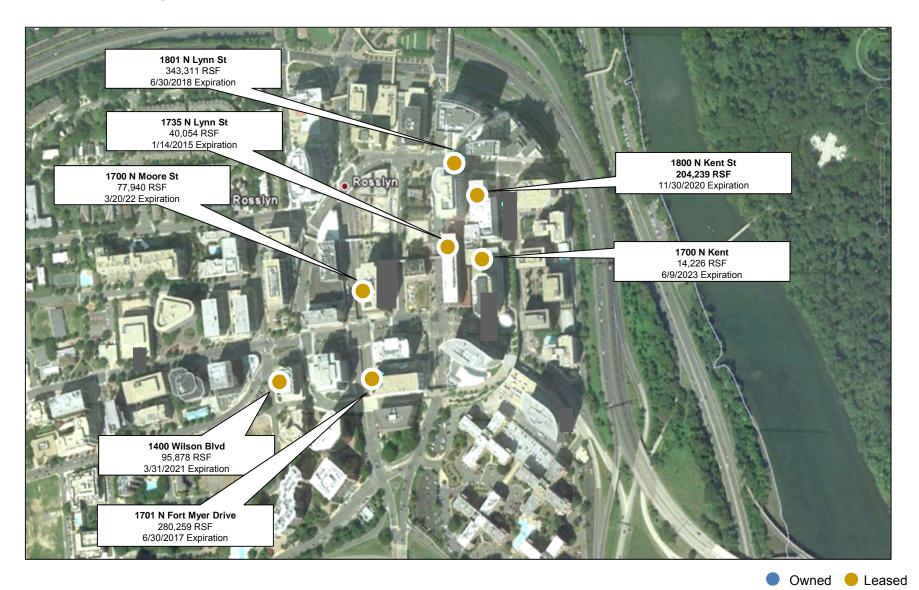
Primary DOS locations in Washington, DC comprise 3.7M RSF





Primary locations in Rosslyn comprise 1.04M RSF; near-term expirations are under review





Source: GSA Portfolio data as of 2Q FY13





Project	Description	Change in RSF*	Projected Rent Reduction	NOTES
14. Potomac Annex/ Navy Hill alternative workplace strategies	Five buildings, 105k RSF, on 6.7 acres. Located strategically across 23 rd St from HST. Renovation of Building 1, consisting of approximately 24,000 rsf, was completed if FY 15. Employees moved from 400 C St and Building 1 is fully occupied. Vuildings 4 and 5 are scheduled to begin renovation in late FY 15.	TBD	TBD	Planned - in development
15. Columbia Plaza utilization optimization	Acquired in FY2011 for DOS use, Columbia Plaza already houses DOS staff. Improvements to the building are needed as the current infrastructure is 20 years old. When the modernization of the building is planned it will be a renovation in place. Currently the building is 100% occupied.	TBD	TBD	Planned - in development
16. Washington, DC American Red Cross Building Optimization	Possible purchase by GSA may afford a large opportunity to consolidate additional operations in close proximity to DOS HQ and to move from leased to owned space. That purchase is in discussion at this time.	TBD	TBD	Planned – in development
18. Washington, DC / Application of Revised Space Standards for Headquarters, Phase 1C	This is a phased modernization of HST. Improved space standards and lower UR rates were accomplished in Phase 1B. Implementation of 1C renovations is taking place at this time and multiple moves into and out of the space will improve space utilization in HST at the level achieved in 1B.	TBD	TBD	Planned – in development



DOS Opportunity Overview

Fiscal Year	Opportunity	Status	Notes
2011 and 2012	2. Washington, DC Revised Space Standards for Headquarters, Phase 1B	Phase 1B completed in FY 14	Completed outcome report submitted for HST Phase 1B with FY 14 PR3. No additional changes in workspace standards are planned in subsequent phases.
	14. Washington, DC Potomac Annex/Navy Hill	Planned & In Development	Long term strategy being vetted for the site. Rent avoidance, operational consolidation, and reduction of UR will be focuses in FY 15 – FY 20
2013 and 2014	15. Washington, DC Columbia Plaza Optimization	Planned and In Development	Rent avoidance and reduction of UR will be focus in FY 15 – FY 20
	16. Washington, DC American Red Cross Building Optimization	Planned and In Development	Possible purchase by GSA - may be opportunity for additional consolidation of operations proximate to DOS HQ.
2014	18. Washington, DC / Application of Revised Space Standards for Headquarters, Phase 1C	Phase 1C – Planned and In Development	This is a phased modernization of HST. Improved space standards and lower UR rates will be achieved in Phase 1C
Ongoing	17. Washington, DC Release of 400 C St SW Through Lease Consoildations	Implementation	This is a phased move project across several FY



Opportunities Identified, Not Quantified and Included FY15

Bureau Name	Region	Opportunity	Contributing Strategy	Outcome	Potential Benefit
DOS	All	Passport Office Design Standards	Workplace	Identified – not advanced	Minor space changes only in Passport Offices
DOS	4	Reduce real estate and labor cost by moving back office operations to secondary markets	Relocation	Operational efficiencies and long term workforce benefits	Moves into classified space – no data available
DOS	11	Rosslyn, VA OBO Workplace Strategies and Lease Consolidation	Workplace Strategies and Consolidation		Operational efficiencies and consolidated work functions
DOS	11	Rosslyn, VA Alternative Workplace Strategies for Diplomatic Security	Consolidation	Procurement with purchase option	Converting leased to owned space for operations center location to minimize business interruption risk
DOS	All	National Data Center Lease Replacement	Consolidation	Completed	Completed Outcome report submitted in FY 13. Operational savings only in future.
DOS	11	Washington, DC Consular Affairs Alternative Workplace Strategies	Consolidation	Operational efficiencies and long term workforce benefits	Consolidations of staff from 7 locations to one larger HQ facility while adding 500 new employees. Benefits include substantial improvements in operational efficiencies and enhancing mission adjacencies. Cost savings are largely due to tax exempt status of Lessor



Opportunities Identified, Not Quantified and Included FY15

Bureau Name	Region	Opportunity	Contributing Strategy	Outcome	Potential Benefit
DOS	3	Virginia FASTC Consolidation	Consolidation	Operational efficiencies and long term workforce benefits	Site identified, environmental studies in process, GSA duties limited to site acquisition & construction mgt.
DOS	11	Virginia Strategic Mail Facility Acquisition	Rent Reduction	Converted leased to federally owned space.	Purchase of a DOS occupied building – DOS remains in place as the occupant with no change in space utilization. Change from leased to owned outcomes still pending.



Supporting Resources and References

Publication Name	Publication Source	Publication Date	Applied Use
GSA Master Data Template	GSA Office of Portfolio Management	Q2 FY13	Portfolio Analysis
Mission/Vision	http://www.state.gov		Agency Background
State Department Budget	http://www.state.gov/s/d/rm/c6112.htm		Essential to all strategic planning
State Department Organization Chart	http://www.state.gov/r/pa/ei/rls/dos/index.h tm		Map to navigate within the agency
List of Bureaus, Offices & Acronyms	http://www.state.gov/r/pa/ei/rls/dos/1718.h tm		Bureau identification
Bureau of Administration	Administration (A) http://www.state.gov/m/a/		A Bureau detailed information
Consular Affairs (CA)	Consular Affairs (CA) http://www.state.gov/m/a/		CA Detailed information
DOS IT Strategic Plan	Information Resource Management (IRM) http://www.state.gov/m/irm/rls/c13461.htm		All Communications Systems Management
Diplomatic Security (DS)	Diplomatic Security (DS) http://www.state.gov/m/ds/		Global security for DOS employees and US public
Guidance for Calculating Scope 3 Emissions	World Business Council for Sustainable Development and World Resources Institute	August 2011	All Opportunities
Workplace+ Calculating Space Utilization	GSA Workplace+ PMO Bulletin 01-13	06/2013	All Opportunities
Washington Metro Housing Plan	DOS	10/11/2012	Move and consolidation plan for CA, Potomac Annex, 400 C St., and 1800 G St. NW
DC Metro 5 Year Plan	DOS	2/27/2013	Five year lease occupancy strategy





DOS Team

Name	CPP Role	Title
Adam Bodner	Lead POC	State Department Director RPAM
Kelly Keef	Secondary POC	State Department Chief RPAM
Hank Aldag	Policy Consultant	State Department Senior Policy Advisor RPAM
Joe Burke	Leasing Specialist	State Department Leasing
Marjorie Lawrence	RPM	State Department Management Analyst

GSA Team

Name	CPP Role	Title
Bart Bush	CPP Executive Sponsor	Executive Leadership
David Bosley	CPP Team Lead	National Account Manager (NAM)
Stacy Swann	Senior Level Advisor	CO Division Leadership
Loaela Hammons	CPP Program Manager	CPP Program Manager, RPAM
Carolyn Adelsten	CPP Program Analyst	CPP Program Analyst
Maria Torres	Real Estate Acquisition	Realty Specialist
Kevan Fareed	Real Estate	Portfolio Project Manager R11
Gary Arabak	Real Estate	Realty Specialist R11





GSA Team

Name	CPP Role	Title
Scott Raeside	Account Management	RAM R1
John Esposito	Account Management	RAM R2
Jennifer Suggs	Account Management	RAM R4
Jeanette Lopez-Torralba	Account Management	RAM R5
James Fotopoulos	Account Management	RAM R6
Garhett Gordon	Account Management	RAM R7
Andrea Wright	Account Management	RAM R8
Michael Bernatz	Account Management	RAM R9
Richard Baker	Account Management	RAM R10
Annette Super	Senior Level Advisor	Senior Advisor - FAS

Contact Information



All inquiries regarding the program or the content of this portfolio plan should be directed first to the CPP Program Manager.

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Outcomes Achieved
Definitions
Portfolio Data





Outcomes Achieved



FY14 Outcomes Achieved: DOS Revised Space Standards for Headquarters





QUICK FACTS

Portfolio Snapshot

7.18 MSF \$234 M rent roll 61% leased space

Space Use

85% office space 12% warehouse/logistics 3% other National UR Goal: 150

Background

- DOS Headquarters is located in the Harry S Truman Headquarters (HST).
- Due to increased diplomatic and security requirements globally, DOS is the highest growth agency in the Federal Government. As a result, one of DOS' top priorities was to create a more efficient and green workplace.
- Before the modernization 5,467 people resided at 2201 C St NW. After phased renovations are complete, the facility will house approximately 6,939 people in a total area of 1.6K USF.

Action: Right-Size In Place

- DOS is applying new space strategies, standards and processes to the Headquarters modernization effort to maximize space utilization and reduce costs. Phase 1B is the most recently completed section of the facility.
- After completion Phase 1B houses 638 people in approximately 194,535 RSF.

Result

- This phase resulted in modest savings. It improved DOS HQ's All In UR by 23% to 270 USF/person. Phase 1B has a R/U ratio of 1.45546 the RSF reduction equals 116 RSF/person. This results in a rent avoidance of 74,287 RSF at a \$49/RSF rate thus saving approximately \$ 3.64 million in annual rental. Additionally, 115 Tons GHG are avoided in this space reconfiguration that adds 126 staff while reducing the space by 10,480 RSF / 7,200 USF.
- Application of the new space standards will yield additional savings and cost avoidance as subsequent phases of the modernization are completed.

SAVINGS ACHIEVED

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline	Right-size	4/2011		\$7.6M	223,435	178,748	512	213	2,458
Avoided Future State			\$12.0M	249,001	199,201	638	213	2,739	
Target		4/30/14		\$9.8M	203,593	162,874	638	174	2,240
•			Cost / (Benefit): % Improvement:	(\$2.2M) (18%)	(45,408) (18%)	(36,327) (18%)	(0) (0%)	(39) (18%)	(499) (18%)
Savings Achieved to Date			\$513,520 \$3.64M – avoid	10,480 74,287 – avoid	7,200	126	80	115	

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Definitions





Acronym	Definition			
FY	Fiscal Year			
	The federal government's fiscal year runs from October 1 of the previous calendar year to September 30 of the year with which it is numbered.			
GHG	Greenhouse Gas			
GSA	General Services Administration			
HQ	Headquarters			
k	Thousand			
М	Million			
NCR	National Capital Region			
OA	Occupancy Agreement			
	An Occupancy Agreement is similar to a lease between GSA and each tenant agency in a building that establishes the rent and space assignment for each agency. Source: www.gsa.gov			
OpEx	Operating Expense			
	In a real estate context, operating expenses include non-rent costs associated with the operation and maintenance of a property. Source: www.gsa.gov			
Payback	The payback period (in years) is calculated by dividing the total investment cost by run-rate annual savings			
RSF	Rentable Square Feet			
	The rentable area typically includes the usable area within the tenant's premises plus an allocation of common areas of the building. Source: GSA Workplace			
RWA	Reimbursable Work Authorization			
UR	Utilization rate (USF/person)			
	To calculate space efficiency of a location, divide total usable square feet by the personnel that occupy the space. Source: GSA Workplace			
USF	Usable Square Feet			
	The usable area is the amount of space that the agency uses, including total office, special, and storage spaces. Source: GSA Workplace			

Business Case Definitions SELECTED GLOBAL fields



Opportunity Analysis Component	Definition and limiting conditions	Reference / Source	
Baseline	 The data and details necessary to establish the Present State of the real estate portfolio that contains all the property to be impacted by a series of tactics and associated with an Occupancy Plan Data are extracted in a consistent method from the GSA Master Data Template as inputs to the Business case tools (Business Case model, specialized tools, etc.) Minimum data required include: Property description and unique identifier Useable area Housed headcount Control (Owned / Leased; GSA- or Agency-) Control timeframe (Expiration date) Total Annual rent* For Business Case comparison purposes, ALL CONDITIONS are assumed as CONSTANT for the entire duration of the business case analysis term Business Case tool used to quantify annual costs, areas, and measures for comparison 	 GSA Master Data Template / GSA Portfolio Agency analyses and data / Individual Agency contacts and FRPP Business Case Model rel. 1 / Client Portfolio Planning & CBRE Business Case Principles Presentations / GSA Portfolio Jan – June 2013 (see extract on next page) 	
Target	 The resultant End State of the portfolio after all Tactics have been implemented RSF, Rent, USF, HC (Headcount) are standard properties and not defined here Implementation Start / End Date: the earliest / latest date that is associated with any Tactic 	Business Case ModelRegional analysesConsolidation Fund model	
Tactics	 When all tactics are combined, these comprise the Strategic Plan for the Portfolio that is being analyzed and optimized Each individual Tactic is a time bounded action which impacts the performance metrics of the Portfolio Minimum data required include: Tactic date and building impacted by the proposed change Area subject to construction (see Build Out definitions) Change in area to be occupied and subject to recurring rent and operating costs Changes in headcount assigned to each individual location Construction scope and unit costs 	Opportunity Card / Opportunity Description by CPP teams Unit Costs from WIFM v1i / GSA Workplace	
Net Improvement	Changes in key metrics of RSF, USF, Rent, USF/HC, and Greenhouse gases N/A		

^{*} Note: The Master Data template includes both an ANNUAL Total and unit costs on a \$/RSF basis; when computation of the Annual rent based on the MDT unit rates is at variance with the ANNUAL Total sent, Business cases use the ANNUAL Total rent and include an "Other" unit rate adjustment in the detailed Operating Cost section of the Business Case Analysis Tool(s).

Opportunity Card Definitions SUMMARY HIGHLIGHTS



Item	Definition	
Opportunity Description	Describe the scope of the opportunity. Explain movement between buildings, expiration dates, etc. This section gives the reader an understanding of what implementing the opportunity entails.	
Potential Benefits: RSF Reduction	The amount of RSF change between the Baseline and Target plans, including the percentage of change in parentheses	
Annual Rent Savings (w/o TI)	Difference between Baseline Annual Rent versus forecasted Target Annual Rent without costs of Build Out amortization included in the Target Annual Rent.	
Total Investment Costs	Sum of all GSA and Agency Costs. Also shown as TIC amount in the OPPORTUNITY INVESTMENT DATA table.	
Total Agency Upfront costs	Sum of Furniture + IT + Move + Other in the OPPORTUNITY INVESTMENT DATA table. (FIT funds are included here and are <i>not</i> included in the annual rent as amortized costs.)	
Total GSA Upfront costs	Sum of Build Out (TI) and Build Out (Core/Shell) from OPPORTUNITY INVSTMENT DATA table.	
Agency Break even	Calculated number of years for the Agency to recoup the Agency Upfront Costs. Also shown in the OPPORTUNITY INVESTMENT DATA table.	
Agency Priority	How this Opportunity is expected to be prioritized by the Agency. Rank by number (X) out of (XX). XX is the number of opportunities in the PR3.	
Ability to Fund (FYXX)	FYXX identifies timing that funds would first be needed. Also include a subjective estimation of GSA's and the Agency's ability to fund – either High, Medium, or Low	
Recommended Next Steps	Short list of time-bounded & assigned accountabilities for priority / major next steps or milestones to achieve the Opportunity benefits. Can change over time and will reflect contemporary situation.	
Opportunity Review Status	Statement of key Stakeholder support of the Opportunity. Valid values: - Approved - In Process - Initiated - Rejected	

^{*} Note: GSA's Business Case Analysis Model and specialized Regional worksheets are typically used to develop these data. Business Case Appendix materials identify Sources.

Opportunity Card Definitions OPPORTUNITY ANALYSIS table



Item	Definition
Baseline	 The data and details necessary to establish the Present State of the real estate portfolio that contains all the property to be impacted by a series of tactics and associated with an Occupancy Plan Data are extracted in a consistent method from the GSA Master Data Template as inputs to the Business case tools (Business Case model, specialized tools, etc.) Minimum data required include: Property description and unique identifier Useable area Housed headcount Control (Owned / Leased; GSA- or Agency-) Control timeframe (Expiration date or Owned) Total Annual rent* For Business Case comparison purposes, ALL CONDITIONS are assumed as CONSTANT for the entire duration of the business case analysis term Business Case tool used to quantify annual costs, areas, and measures for comparison
Target	Forecasted future conditions ("End State") scenario and associated measures. See Baseline definition.
Action	Strategy to be used to implement changes between Baseline and Target scenarios. Possible selections include: - Consolidation - Capital Deployment - Relocation - Market Driven - Right Size in Place - Process / Service Improvement - Cost Avoidance - Sustainability
Start (End) Date	Expected Quarter & Fiscal year timings associated with the Business Case Action. Stated in in the format of "OQ FY00"
Annual Rent (w/TI)	Agency payments to landlords and / or other suppliers for all costs of occupying and / or operating real estate premises. Specifically excludes repayment of capital investments made by other entities. Values are consistent for Business Case purposes. Not for Budgets.
Annual Rent (w/o TI)	Agency payments to landlords and / or other suppliers for all costs of occupying and / or operating real estate premises PLUS repayment of capital investments made by other non-Agency entities. Values are consistent for Business Case purposes. Not for Budgets.

^{*} Note: The Master Data template includes both an ANNUAL Total and unit costs on a \$/RSF basis; when computation of the Annual rent based on the MDT unit rates is at variance with the ANNUAL Total per nt, Business cases use the ANNUAL Total rent and include an "Other" unit rate adjustment in the detailed Operating Cost section of the Business Case Analysis Tool(s).

Opportunity Card Definitions OPPORTUNITY ANALYSIS table – ACTION* types



Item	Description
Consolidation	A Consolidation Opportunity brings staff together and results in fewer Agency locations. If the Target location is not presently occupied by the Agency, then the Opportunity is classified as a Relocation.
Relocation	A Relocation Opportunity moves staff from an existing location into another location. If the Target location is presently occupied by the Agency, then the Opportunity is classified as a Consolidation.
Right Size	A Right-size Opportunity reduces space at the Baseline location to achieve the Target end-state. All change is within a Baseline location.
Avoid Expansion	An Avoid Expansion Opportunity illustrates change between a Target end-state that "may" have resulted if all conditions within the property that the Agency presently occupies were replicated to accommodate growth versus the Target end-state. The Baseline condition is modified to forecast what "would" be needed ("Avoided Future State") and then compared to the Target end-state. These Opportunities are typically associated with, but not limited to, accommodating growth within an existing footprint instead of establishing larger or other premises.
Capital Deployment	A Capital Deployment Opportunity will create change within one or more properties that the Agency presently occupies by means of disposition or some special type of financing (e.g., sale, sale-leaseback, special financing).
Market Driven	A Market Driven Opportunity will create change within one or more properties that the Agency presently occupies by conducting negotiations to improve the economics of the occupancy. Examples include lowering rents to match market conditions and lowering rents by extending the term of the occupancy.
Process / Service Improveme	A Process / Service Improvement Opportunity will create change within one or more properties that the Agency presently occupies through adoption of improved processes or acquisition services such as Digital Print management, bulk purchasing contracts, etc.
Sustainability	A Sustainability Opportunity will create change within one or more properties that the Agency presently occupies by improving the operating costs of the occupancy through implementation of projects that are focused on Greenhouse gases, commutation, LEED certifications, recycled materials, etc.

^{*} Opportunities may be comprised of several different Actions. Select the predominant Action.

Opportunity Card Definitions OPPORTUNITY Sub-types



Opportunity Type	Opportunity Sub-Types
Consolidation	Leased to Leased Leased to Owned Owned to Leased Owned to Owned Leased to Combined Owned to Combined
Right-size in place	
Relocation	Exit and Exercise Early Lease Termination Exit and Relocate to Leased Exit and Relocate to Owned
Market Driven	Rent Renegotiation Blend and Extend
Cost Avoidance	
Capital Deployment	Disposal Exchange for Services Public Private Partnership Sale-Leaseback
Sustainability	
Process / Service Improvement	Process (e.g., Print strategy) Contract (e.g., Fleet purchasing)

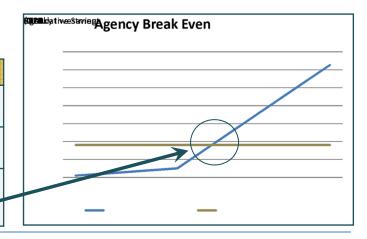
Opportunity Card Definitions OPPORTUNITY ANALYSIS table



Item	Definition
RSF	Rentable Square Feet that are analyzed in Baseline and Target scenarios.
USF	Useable Square Feet that are analyzed in Baseline and Target scenarios.
НС	HEADCOUNT ("HC") assumed to be housed in Baseline and Target scenarios
All-in UR	Utilization rate for Baseline and Target scenarios. Calculated by dividing Baseline- or Target-USF by the appropriate HC.
GHG Emissions (Tons)	
Annual TI Payment in Rent	Annual rent paid by Agency to repay GSA for Build Out investments associated with the Opportunity. Appropriate cost of funds and monthly amortization schedule converted to annual amount.
Cost / (Benefit) and %Improvement	Quantification of change between Baseline and Target scenarios. Cost / (Benefit) in numerical form. %Improvement as a percent and calculated by dividing Cost / (Benefit) by corresponding Baseline value.
# of years TI is being amortized	Number of years an Agency would repay Build Out as additional Rent. DEFAULT = 5 years.
Savings Achieved to Date	Periodic tabulation of ACTUAL results across all metrics. See Project Card descriptions.

AGENCY BREAK EVEN graph

Segment	Definition				
Cumulative Savings	Total of Annual Rent savings accumulated over time. Annual Rents include adjustments for TI Amortization.				
Agency Investment	Running sum of <i>Total Agency Upfront costs</i> displayed on an annual basis.				
Break Even	Point where Cumulative Savings cross the Agency Investment line; representative of the number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs				



Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source
Build Out (TI)	There are 3 potential scopes of work that are eventually intended to be included in this category and are derived from GSA Workplace WIFM tool definitions for consistency: Minimal Refresh Renovate New Build Out In the majority of the CPP business cases, NEW BUILD OUT scope is assumed when projects are in the early stage of development and generally aligns with: Investments required to improve space from a "warm, lit shell" condition and ready the premises for the installation of furnishings and other personal property Investments for ALL construction costs whether paid by the Agency or GSA without reduction for any available Tenant Improvement Allowance provided either by a 3rd party Landlord or a GSA Tier allowance Adjustments for location and escalation over time included DEFAULT Workplace assumption: 80% workstation / 20% office space allocations assumed unless stated otherwise;10% special space included and assumed at Support Space unit costs DEFAULT Unit costs based on a "Typical" project size of approx. 100k square feet, 500 housed headcount with NO desk sharing, standard office @ 120 nsf; standard workstation @ 64 nsf; Interaction level = High as defined in WIFM tool In many business cases, project estimates for Build Out costs have been prepared by Regional / Agency teams; these are considered to be more accurate and are included whenever possible. Comments in the business case analysis tools will identify when these assumptions have been used and summaries will be included in the PR3.	WIFM / GSA Workplace GSA Project Cost Planning Guide; Dec 2013 as incorporated into WIFM assumptions and planning forecasts and updated for Repair and Alteration scopes in Dec 2013 / GSA Design and Construction and GSA Workplace
Build Out (Core / Shell)	 NOT TYPICAL: For Client Portfolio Planning business cases, it is unlikely that these costs will be attributed to a Client Agency business case and are typically assumed to be out-of-scope for CPP business case purposes (Note: these costs are typically captured in the GSA "Lease vs. Own" analysis processes) Core / Shell costs If included: Investments required to create or otherwise modify building systems or components and establish a "warm, lit shell" condition which is ready for Build Out investments; justification for inclusion in Agency Business Case provided 	 GSA Asset and Portfolio teams The Automated Prospectus System (TAPS) tool Prospectus approval documents / varies

Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source
Furniture	 Costs for NEW furnishings and other personal property installed in space that has been improved in accordance with the Build Out conditions above (Note: variances to NEW standard assumption will identify appropriate scope, assumptions, and estimate source) Furniture and equipment for standard Offices, Workstations, Conference rooms, filing, and standard support areas; other areas as needed and identified Does not include personal property such as, but not limited to, printers, computers, phone switches or other specialized equipment Workplace assumption: 80% workstation / 20% office space allocations assumed unless stated otherwise NO COSTS included for 10% special space in addition to Workplace area assumed unless stated otherwise DEFAULT Unit costs based on a "Typical" project size of approx. 100k square feet, 500 housed headcount with NO desk sharing, standard office @ 120 nsf; standard workstation @ 64 nsf; Interaction level = High as defined in WIFM tool 	WIFM v1i / GSA Portfolio and Workplace teams GSA national furniture purchasing schedule / GSA FAS Standard Office furniture components analysis / GSA Portfolio; December 2013 Business Case Model Consolidation Fund worksheet Specialized Regional analyses
IT	If available and applicable, costs identified for IT that are not included in any other category such as, but not limited to, printers, computers, cell phones, phone switches, data rooms, etc.	Agency GSA Others
Move	 Investments for relocating personnel within the local market (limit approx. 15 miles) DEFAULT \$3/USF for each property being exited (unless other assumption identified) Adjustments for location and escalation NOT included or available 	GSA pricing schedules and Rough order of magnitude best practices / GSA Portfolio and Region interviews
Other	Catch all category for all other investments including but not limited to Change management program costs, termination penalties, fees, specialized equipment, etc.	Varies

Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source			
Total Investment Costs (TIC)	 Forecasted investment requirements to implement Target Sum of Build Out, Furniture, IT, Move and Other costs 	 Business Case Model Consolidation Fund worksheet Specialized Regional analyses 			
Agency Upfront Costs	Sum of Furniture + IT + Move + Other in the OPPORTUNITY INVESTMENT DATA table. (FIT funds are included here and are <i>not</i> included in the annual rent as amortized costs.)	GSA Project teams			
Agency Break Even	 Number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs Calculation is dependent on length of time and rent reduction forecast; see special instructions in Appendix 	GSA Pricing guidance and calculation methods; June 2014			
Funding Sources	 Identification of expected Budget source for required investments Agency-related Sources are summed in the Agency Upfront Costs field 	GSA project teams GSA and Agency finance staff			

Additional notes:

- 1. The investment values displayed in the OPPORTUNITY INVESTMENT DATA table typically represent a Planning / Business Case level of detail and <u>are not cost estimates</u>; accordingly, these investment values are not recommended for use in Budgeting or Project commitments without review of scopes and applicability of cost factors.
- 2. As noted above, other significant investments may be required to create the "warm, lit shell" conditions and are excluded from all Tenant Agency perspectives and forecasts.

Opportunity Project Card Definitions OVERVIEW



FY14 Portfolio Review and Recommendations Reports (PR3s) include templates to identify and track details for PROJECTS that comprise an Opportunity

- The Project Table lists all Projects expected to be accomplished as an Opportunity moves from Baseline to Target state
- Each Project Card tracks details about scopes, costs, benefits, and actual Outcomes
- Opportunity and Project Card fields share definitions

Project Table Template

MPLEMENTATION OPPORTUNITY 1 | PROJECT SUMMARY LOCATION | OPP NAME Project Name Project Region Description Start Complete Project Phase Phase Phase Project Phase Phas

Project Card Template

City Agency – Opportunity Nar	ne					NNIN
Project Summary	Project Status		Next Impl	ementation		DERAL REAL ES
Project Type: G&A Region:	Schedule Status:		Action		Lead	Dat
FROM Location: TO Location:	Project Manager:					
Boope Description:	G 8A Project # 8. System:					
PROJECT SCOPE TO BE WRITTEN HERE Project Card last updated on:	Date Draft OA Signed:					
Updated by: XXXX	Date RWA Signed:		The same of the sa	eview Status	(
	gPM Current Project Phase			ent Agency Spor el Program Rev		
	Current Project Activity:		Client Agent	y Regional Rep	resentation	
PROJECT ANALYSIS						
Action Start (End) I	Dana Annual Rane Annual Ran	RSF	USF	HC	(USEberson)	GIIG Entex
Casaine						
Target						
Annual Ti Payment in Rent •	Cost / (densht):					
+ of years Ti is being amortized +	% Improvement:					
Savings Achieved to Date (See Outcomes Report	in Aggenda()					
PROJECT INVESTMENT DATA				Total	Agency Upfrore	
Build Our Build (T) (Const		Move	Other	Coata (TC)	Contr.	Agency Greak Da
Total Funding Amount						
Funding Secured						
Funding Gap						

Opportunity and Project Card Definitions Agency Break Even calculations



Selecting appropriate method for Break Even Year Calculation:

Use Formula 1 if:

Target Annual Rent w/TI IS LESS THAN The Baseline Annual Rent w/TI (it is possible to break even during the amortization period)

If y ends up being > the # of years amortized, use Formula #2 to determine the Break Even Year.

Use Formula 2 if:

Target Annual Rent w/TI IS GREATER THAN The Baseline Annual Rent w/Tis (break even will exceed the TI amortization period)

Formula 1 (capturing costs during the years with TI):

Break Even Year = Agency Upfront Costs

(Baseline Annual Rent w/TI - Target Annual Rent w/TI)

Formula 2 (capturing costs after TI drops off):

Break Even Year = Annual TI Payment in Rent * # of years TI is amortized + Agency Upfront Costs

(Baseline Rent w/o TI - Target Rent w/o TI)

Opportunity and Project Card Definitions Agency Break Even calculations



Calculate ANNUAL RENT (w/TI)

Step 1: Establish the Opportunity's total Annual Rent w/o TI

For projects in owned space, there is no PBS fee.

For projects in leased space, assume a PBS fee of 7% that is applied to the entire rent.

In some leases, the space may have a non-cancelable OA (not as common). If those instances are known, the PBS fee is 5%.

Step 2: Calculate the Additional Rent (Annual TI amortization) and add it to the Annual Rent w/o TI

Annual TI Payment in Rent calculation in Excel:

=PMT(TI Amortization Rate, Amortization Term in Months, Build Out (TI))*12

Example: Convert \$16,502,881 in TI to additional Annual Rent

Formula: =PMT(0.02835/12, 60, 16502881)*12

VARIABLES:

TI Amortization Rate - for any project in federal space or funded by the Consolidation Fund (owned or leased), assume an amortization rate of 2.835%. For any other leased project (i.e. TI funded by the lessor), assume an amortization rate of 5.835%.

Amortization Term in Months – Default repayment term is 5 years or 60 months (unless otherwise specified)

Build Out (TI) - The total TI cost to be amortized (unless otherwise specified)

Notes:

- The Annual TI Payment in Rent will come out of the calculation as a negative number. Make it a positive number and round to the nearest whole dollar
- Consult the Pricing Team and Program Team if there are any tenant requested shell improvements or mid-occupancy / post-initial occupancy requests for TI. In consultation with Pricing, the Program Team will provide guidance on how to show these costs in Build Out (TI) section.

Opportunity and Project Card Definitions Agency Break Even calculation derivations



EXAMPLE calculations derivations

Formula 1 (capturing costs during the years with TI):

Break Even Year =

Agency Upfront Costs

(Baseline Annual Rent w/TI - Target Annual Rent w/TI)

y = Break Even Year

Old Cost = Baseline Annual Rent w/TI * v

New Cost = Target Annual Rent w/TI * y + Upfront Tenant Costs

Break Even happens when Old Cost = New Cost

Therefore, set Old and New Costs equal to each other:

Baseline Annual Rent w/ TI * y = Target Annual Rent w/ TI * y + Upfront Tenant Costs

Rearranging:

Baseline Annual Rent w/ TI * y - Target Annual Rent w/ TI * y = Upfront Tenant Costs

Solving for y:

y = <u>Upfront Tenant Costs</u>

(Baseline Annual Rent w/TI – Target Annual Rent w/TI)

Formula 2 (capturing costs after TI drops off):

Break Even Year =

Annual TI Payment in Rent * # of years TI is amortized + Agency Upfront Costs

(Baseline Rent w/o TI - Target Rent w/o TI)

y= Break Even Year

Old Cost = Baseline Rent w/o TI * v

New Cost = Target Rent w/o TI * y + Annual TI amount * # of years amortized + Upfront Tenant Costs

Break Even happens when Old Cost = New Cost

Therefore, set Old and New Costs equal to each other:

Baseline Rent w/o TI * y = Target Rent w/o TI * y + Annual TI amount * # of years amortized + Upfront Tenant Costs

Rearranging:

Baseline Rent w/o TI * y - Target Rent w/o TI * y= Annual TI amount * # of years amortized + Upfront Tenant Costs

Solving for y:

y = Annual TI amount * # of years amortized + Upfront Tenant Costs

(Baseline Rent w/o TI – Target Rent w/o TI)

Opportunity and Project Card Definitions Agency Break Even misc.



Other Definitions and Limiting Conditions

Savings Achieved to Date

This is the sum of the Outcome Report Savings from any projects that have completed Outcome Reports.

Build Out (TI)

Enter the Total TI for the Opportunity

Build Out (Core and Shell) WILL NOT be included in the Annual Rent w/TI field

Build Out (Shell)

Enter the shell costs for the Opportunity

Assume GSA will be paying the upfront costs for any project in federal space or funded by the Consolidation Fund Note: Consult the Pricing Team and Program Team if there are any tenant requested shell improvements or mid-occupancy / post-initial occupancy requests for TI. In consultation with Pricing, the Program Team will provide guidance on how to include and display these costs in Build Out (TI) fields.

Furniture and IT

Do NOT include amortization of these investments as additional Annual Rent

Assume no fees or interest rates unless otherwise specified. Consult with the Program Team re: any current fees if TW/FIT is being used.





Portfolio Data



Real Estate Portfolio Overview

Data as of 2Q FY14

7,472,822
3,464,523
4,008,299

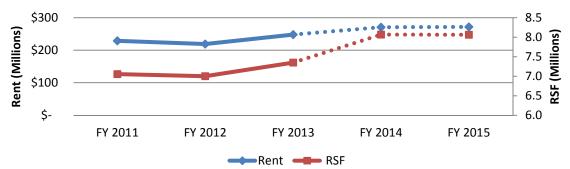
Total Annual Rent	\$ 249,987,643
Owned Rent	\$ 99,430,529
Leased Rent	\$ 150,557,114

Top 5 Markets

Washington-Arlington-Alexandria, DC-VA-MD-WV New York-Newark-Jersey City, NY-NJ-PA Denver-Aurora-Lakewood, CO Boston-Cambridge-Newton, MA-NH Miami-Fort Lauderdale-West Palm Beach, FL

Number of Occupancy Agreements 142

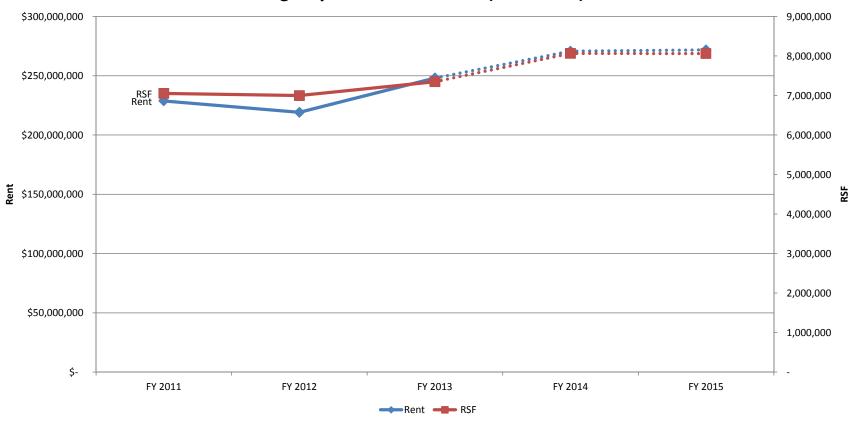
Agency Rent & RSF Trends (FY11-FY15)



Rent and RSF Trends



Agency Rent & RSF Trends (FY11-FY15)



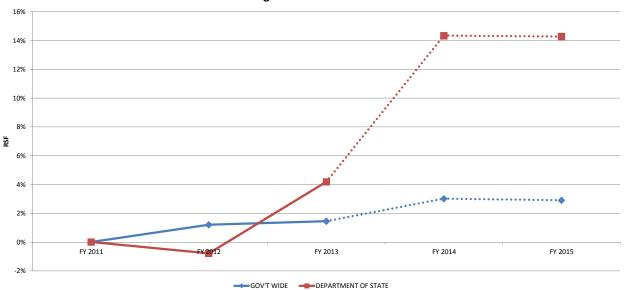
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Rent	\$ 228,789,351	\$ 219,095,081	\$ 248,068,620	\$ 270,714,827	\$ 271,745,223
Leased	\$ 155,607,296	\$ 136,733,480	\$ 147,858,731	\$ 171,653,503	\$ 174,326,766
Owned	\$ 73,182,055	\$ 82,361,601	\$ 100,209,889	\$ 99,061,324	\$ 97,418,457
RSF	7,054,345	6,998,950	7,349,035	8,065,548	8,061,117
Leased	4,371,791	3,840,406	4,113,699	4,820,591	4,825,192
Owned	2,682,554	3,158,544	3,235,336	3,244,957	3,235,925

Source: FY15 Rent Estimate



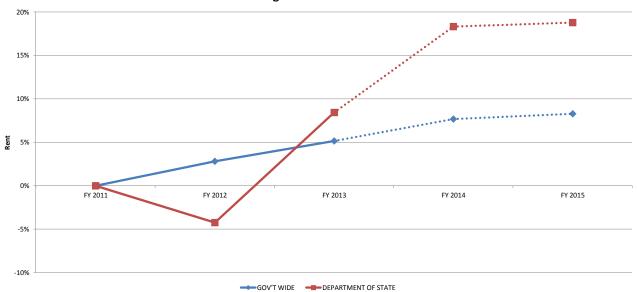


RSF Changes Over FY 2011 Baseline



DOF	EV 2044	EV 2042	EV 2042	EV 2044	EV 2045	
RSF	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	
Government-Wide	RSF Increase Over FY11 Baseline	•				
Leased	0%	2%	2%	3%	3%	
Owned	0%	0%	1%	3%	3%	
GOV'T WIDE	0%	1%	1%	3%	3%	
Agonov DSE Incres	Agency RSF Increase/Decrease Over FY11 Baseline					
Leased	0%	-12%	-6%	10%	10%	
Owned	0%	18%	21%	21%	21%	
DEPARTMENT OF	0%	-1%	4%	14%	14%	

Rent Changes Over FY 2011 Baseline



Rent	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Government-Wide	RSF Increase Over FY11 Baseline	9			
Leased	0%	3%	5%	6%	7%
Owned	0%	2%	5%	10%	10%
GOV'T WIDE	0%	3%	5%	8%	8%
Agency RSF Increa	ase/Decrease Over FY11 Baseline				
Leased	0%	-12%	-5%	10%	12%
Owned	0%	13%	37%	35%	33%
DEPARTMENT OF	0%	-4%	8%	18%	19%

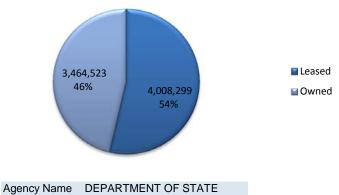
Source: FY14 Rent Estimate



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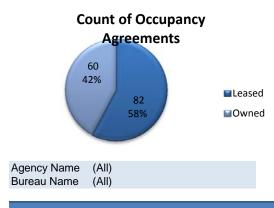


Rentable Square Feet



Agency Name DEPARTMENT OF STATE Bureau Name (All)

	Assigned RSF Sum	of Annual Rent
Leased	4,008,299	150,557,114
Owned	3,464,523	99,430,529
Grand Total	7,472,822	249,987,643

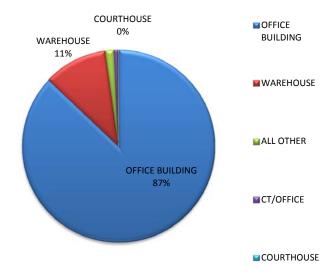


	Count of OA's Annual Rent			
Leased	82	150,557,114		
Owned	60	99,430,529		
Grand Total	142	249,987,643		





Property Types



Agency Name	DEPARTMENT OF STATE
Bureau Name	(All)

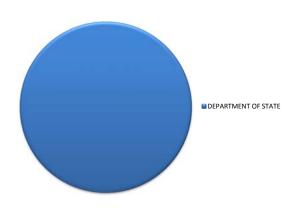
Space Type	Sum of Assigned RSF	Count of OA's
OFFICE BUILDING	6,507,467	115
WAREHOUSE	802,264	9
ALL OTHER	109,757	3
CT/OFFICE	49,747	8
COURTHOUSE	3,587	1
Grand Total	7,472,822	136

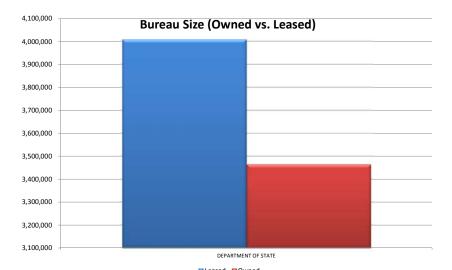


Data as of 2Q FY14 Page 5 of 22



Bureau Size (RSF)





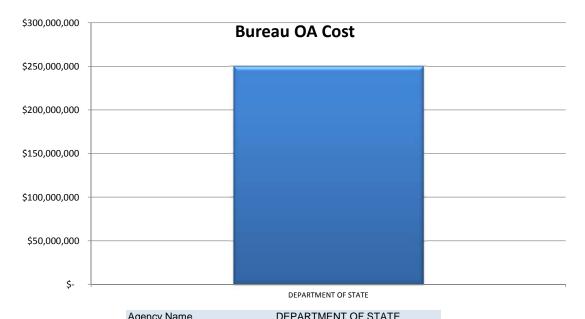
Agency Name DEPARTMENT OF STATE

Bureau	Leased	Owned	Grand Total
DEPARTMENT OF STATE	4,008,299	3,464,523	7,472,822
Grand Total	4,008,299	3,464,523	7,472,822



Bureau OA Cost Breakdown





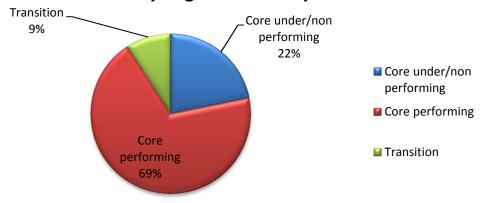
rigorioy riamo	DEI / ((C I I I I I I I	01/11-
Bureau		Annual Rent
DEPARTMENT OF STATE	\$	249,987,643
Grand Total	\$	249,987,643



Inventory Segment Size

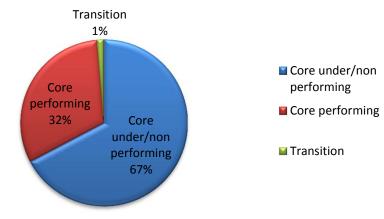


Inventory Segment Size by Locations



Agency Name Bureau Name	DEPARTMENT OF STATE (AII)
	Number of OA's
Core under/non performing	12
Core performing	38
Transition	5
Grand Total	55

Inventory Segment Size by RSF



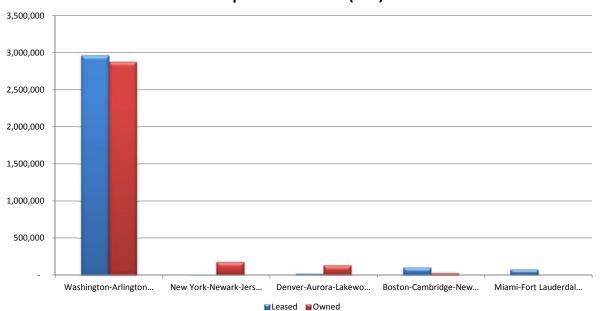
Aganay Nama	/ A II \	
Agency Name	(AII)	
_ ` \.	()	
Bureau Name	(AII)	
	(*)	

	Assigned RSF
Core under/non performing	2,228,637
Core performing	1,040,662
Transition	42,696
Grand Total	3,311,995





Top 5 Metro Areas (RSF)



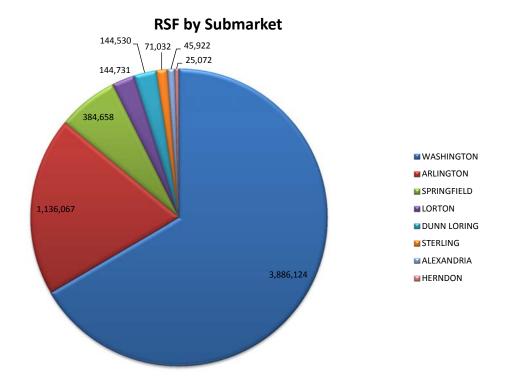
Agency Name DEPARTMENT OF STATE
Bureau Name (All)

	Sum of Assigned RSF			
	Metropolitan Area	Leased	Owned	Grand Total
#1	Washington-Arlington-Alexandria, DC-VA-MD-WV	2,961,515	2,876,621	5,838,136
#2	New York-Newark-Jersey City, NY-NJ-PA	5,037	171,168	176,205
#3	Denver-Aurora-Lakewood, CO	20,728	127,674	148,402
#4	Boston-Cambridge-Newton, MA-NH	100,706	28,984	129,690
#5	Miami-Fort Lauderdale-West Palm Beach, FL	71,649		71,649



Submarket Breakdown





Agency Name Bureau Name DEPARTMENT OF STATE

Owned/Leased (All)

Market Washington-Arlington-Alexandria, DC-VA-MD-WV <--Select Metro Area Here

Submarket	RSF	Count of OA's	Annual Rent
WASHINGTON	3,886,124	26	129,604,599
ARLINGTON	1,136,067	8	55,509,347
SPRINGFIELD	384,658	7	8,880,236
LORTON	144,731	2	3,284,400
DUNN LORING	144,530	3	4,944,890
STERLING	71,032	2	520,330
ALEXANDRIA	45,922	1	1,311,381
HERNDON	25,072	1	640,373
Grand Total	5,838,136	50	204,695,557



OA Expirations by FY





Agency Name	DEPARTMENT OF STATE
Bureau Name	(All)
Market	(All)
City	(All)
Owned/Leased	(Multiple Items)

Fiscal Year of Expiration	RSF	Count of OA's
2014	423,911	7
2015	172,120	15
2016	1,599,075	13
2017	1,260,946	15
2018	786,350	16
2019	617,943	17
2020	944,446	12
2021	682,148	18
2022	141,744	6
2023	149,311	6
2024	21,505	1
2025	5,680	2
2026	56,004	1
2027	122,772	3
2028	100,706	1
2030	125,876	1
2032	179,452	3
2033	82,833	5
Grand Total	7,472,822	142



OA Expirations List



DEPARTMENT OF STATE

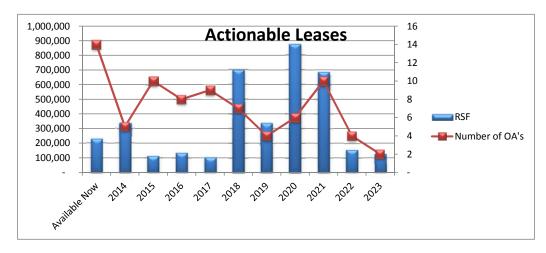
Agency Name DEPARTMENT
OA Expiration FY (Multiple Items)
Bureau Name (All) <- Select Fiscal Year <- Select Bureau (All) <- Select Metro Area Market

*Table shows a max of 50 OA's per FY

*Table shows a max of	of 50 OA's per FY			
OA Number	Building Name	City	RSF	Annual Rent
ADC00078	HARRY S. TRUMAN	WASHINGTON	1,405,847	36,231,567
ADC00688	HARRY S. TRUMAN	WASHINGTON	614,044	16,126,010
ADC07093	COLUMBIA PLAZA	WASHINGTON	536,402	18,075,191
AVA07664	1801 NORTH LYNN STREET	ARLINGTON	349,044	21,597,721
ADC07307	FEDERAL CENTER PLAZA II	WASHINGTON	201,239	9,654,399
ADC05044	2121 VIRGINIA AVE	WASHINGTON	110,294	6,034,293
ADC00250	2430 E ST NW SOUTH	WASHINGTON	68,126	2,650,176
ADC00077	PRESIDENTS GUEST HOUSE	WASHINGTON	51,961	1,626,479
AVA02388	CEDAR HILL II	DUNN LORING	43,222	1,445,148
AVA07570	INTERNATIONAL PLACE	ARLINGTON	40,054	1,716,470
ADC00195	2430 E ST NW CENTRAL	WASHINGTON	35,086	1,203,732
AVA03193	GUNSTON INDUS. PARK	LORTON	32,231	931,769
ACA08891	HAWTHORNE PLAZA	SAN FRANCISCO	28,067	1,470,503
AIL01214	JOHN C. KLUCZYNSKI FED. BLDG.	CHICAGO	26,537	694,699
AAZ04181	GATEWAY CENTER	TUCSON	26,268	970,947
AVA06578	SPRING PK TECHN CTR	HERNDON	25,072	640,373
ACA00290	FEDERAL BUILDING	LOS ANGELES	24,543	1,128,691
AMN03653	FEDERAL BUILDING	MINNEAPOLIS	23,058	201,836
ACO06052	DFC BLDG 810	LAKEWOOD	17,917	253,915
ATX06494	GT LELAND FEDERAL BLDG	HOUSTON	15,606	602,101
ACO01822	CHERRY CREEK PLACE III	AURORA	13,641	273,605
ADC00249	2430 E ST NW EAST	WASHINGTON	12,626	372,578
ACA01561	235 PINE STREET	SAN FRANCISCO	12,438	523,131
ACA00464	EDWARD R ROYBAL FB & CH	LOS ANGELES	9,055	330,352
AMA00089	THOMAS P. O'NEILL JR. FB	BOSTON	8,076	335,750
AVT01366	FEDERAL BLDG USPO&CU	ST. ALBANS	7,354	110,686
AMN03976	330 2ND AVENUE BUILDING	MINNEAPOLIS	5,928	153,233
AIL06163	METCALFE BUILDING	CHICAGO	5,646	210,136
AIL05877	JOHN C. KLUCZYNSKI FED. BLDG.	CHICAGO	5,408	142,480
AMD03666	POINT BREEZE BUS CTR	BALTIMORE	5,322	131,571
AGA03173	10 10TH STREET BUILDING	ATLANTA	4,977	185,837
ACA01554	FEDERAL BUILDING	LOS ANGELES	4,463	122,256
ADC05580	520 23RD ST NW	WASHINGTON	3,600	144,504
AFL05410	ALHAMBRA WEST	CORAL GABLES	3,416	134,759
AFL05436	IMPERIAL PLAZA	MELBOURNE	3,190	79,405
AFL05032	CORPORATE PARK OF MIAMI	MIAMI	3,076	97,040
ATX02275	ALLIANCE TOWER	HOUSTON	3,051	55,200
ATX00139	E CABELL FOB/USPO/CTHS	DALLAS	2,986	51,063
ACT01871	BRIEN MCMAHON USCH&	BRIDGEPORT	2,799	44,526
ADC05304	518 23RD STREET, NW	WASHINGTON	2,766	130,677
AVT01365	FEDERAL BLDG USPO&CU	ST. ALBANS	2,658	40,014
ACA09929	JAMES C. CORMAN FED BLDG	VAN NUYS	2,620	59,426
ANY02131	JACOB K. JAVITS FB/CIT	NEW YORK-MANHATTAN	2,596	235,956
ACA00291	FEDERAL BUILDING	LOS ANGELES	2,561	101,935
ANY03166	FEDERAL BLDG201 VARICK ST	NEW YORK-MANHATTAN	2,467	88,223
AMA02941	THOMAS P. O'NEILL JR. FB	BOSTON	2,307	73,205
AHI02542	FIRST HAWAIIAN CENTER	HONOLULU	2,109	143,781
APR00848	LA TORRE DE LA PLAZA	HATO REY	1,963	76,219
AMO00454	ROBT A YOUNG FED BLD	SAINT LOUIS	1,790	23,942
ADC07353	OFFICE BUILDING	WASHINGTON	1,648	108,990
Grand Total			3,817,154	127,836,500
_				







Agency Name	DEPARTMENT OF STATE
Bureau Name	(AII)
Market	(AII)
City	(AII)
Owned/Leased	Leased

Fiscal Year of Expiration	RSF	Number of OA's
Available Now	228,946	14
2014	339,495	5
2015	113,386	10
2016	135,118	8
2017	103,614	9
2018	701,073	7
2019	336,804	4
2020	875,467	6
2021	688,198	10
2022	156,012	4
2023	126,726	2
Grand Total	3,804,839	79







Agency Name	DEPARTMENT OF STATE
Bureau Name	(All)
Market	(AII)
City	(All)

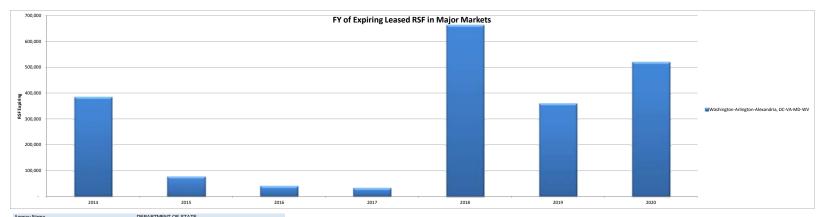
Fiscal Year of Expiration	RSF	Number of OA's
2014	385,856	6
2015	99,455	8
2016	52,492	2
2017	36,737	5
2018	732,218	10
2019	524,030	10
2020	928,653	9
2021	676,102	16
2022	138,283	4
2023	149,311	4
2025	5,680	2
2026	56,004	2
2027	122,772	3
2028	100,706	1
Grand Total	4,008,299	82



DEPARTMENT OF STATE
(All)
(All) Agency Name Bureau Name Market Note: Page displ

RSF		Lease Expiration FY			
Building Name	City	2015	2016	2017	Grand Total
CEDAR HILL II	DUNN LORING	43,222			43,22
INTERNATIONAL PLACE	ARLINGTON		40,054		40,05
GUNSTON INDUS. PARK	LORTON	32,231			32,23
SPRING PK TECHN CTR	HERNDON			25,072	25,072
CHERRY CREEK PLACE III	AURORA	13,641			13,64
235 PINE STREET	SAN FRANCISCO		12,438		12,431
POINT BREEZE BUS CTR	BALTIMORE	5,322			5,32
520 23RD ST NW	WASHINGTON			3,600	3,60
IMPERIAL PLAZA	MELBOURNE			3,190	3,19
CORPORATE PARK OF MIAM	MIAMI	3,076			3,076
518 23RD STREET, NW	WASHINGTON			2,766	2,766
FIRST HAWAIIAN CENTER	HONOLULU			2,109	2,109
LA TORRE DE LA PLAZA	HATO REY	1,963			1,963
GRIFFIN ST AUTO PRK	DALLAS	-			-
Grand Total		99,455	52,492	36.737	188,684

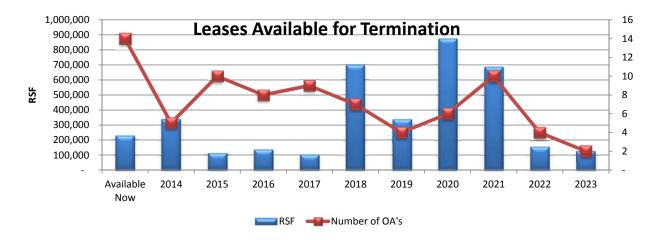




Bureau Name (All) Note: Page displays a maximum of 100 Expirations	
RSF Market	
Lease Expiration FY Washington-Arlington-Alexandria, DC-VA-MD-WV	Grand Total
2014 384,760	384,760
2015 75,453	75,453
2016 40,054	40,054
2017 31,438	31,438
2018 663,562	663,562
2019 359,712	359,712
2020 520,687	520,687
Grand Total 2,075,666	2,075,666

Lease Termination Rights





Agency Name	DEPARTMENT OF STATE
Bureau Name	(All)
Market	(All)
Termination Right Indicator	(All)

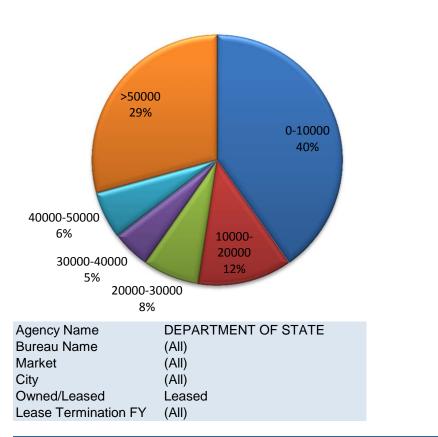
FY of Termination Rights	RSF	Number of OA's
Available Now	228,946	14
2014	339,495	5
2015	113,386	10
2016	135,118	8
2017	103,614	9
2018	701,073	7
2019	336,804	4
2020	875,467	6
2021	688,198	10
2022	156,012	4
2023	126,726	2
Grand Total	3,804,839	79



Size of Expiring Leases



Size of Expiring Leases



RSF	Count of OA Number	Sum of Assigned RSF
0-10000	33	121,918
10000-20000	10	159,933
20000-30000	6	152,065
30000-40000	4	135,218
40000-50000	5	224,422
>50000	24	3,214,744
Grand Total	82	4,008,299



Data as of 2Q FY14 Page 18 of 22

■ 0-10000

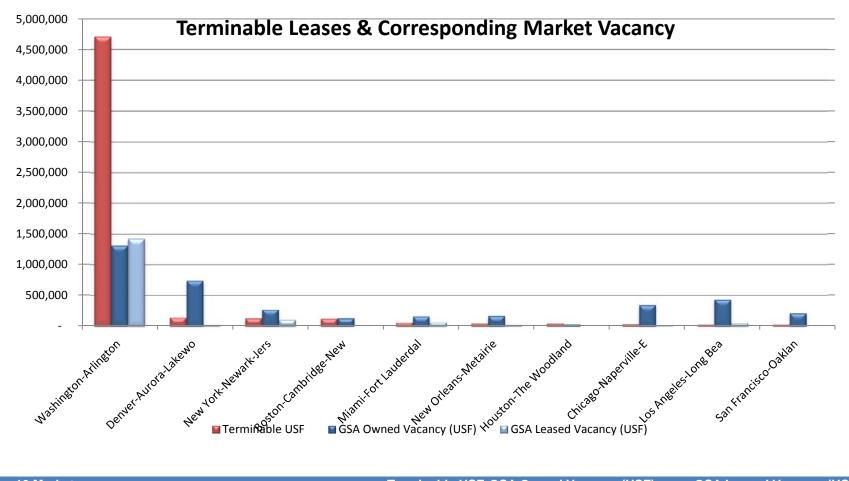
≥50000

10000-20000

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Terminable vs. Vacancy by MSA





Top 10 Markets	Terminable USF	GSA Owned Vacancy (USF)	GSA Leased Vacancy (USF)
Washington-Arlington	4,715,807	1,314,083	1,423,905
Denver-Aurora-Lakewo	141,603	743,365	23,789
New York-Newark-Jers	130,852	272,269	106,202
Boston-Cambridge-New	123,452	132,621	1,093
Miami-Fort Lauderdal	61,552	164,029	60,523
New Orleans-Metairie	48,753	167,449	23,897
Houston-The Woodland	46,596	36,145	-
Chicago-Naperville-E	39,046	347,303	12,206
Los Angeles-Long Bea	33,652	434,938	49,337
San Francisco-Oaklan	33,193	212,362	2,604





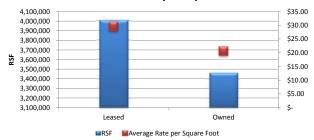
Agency Occupied Buildings with Large Amounts of Vacant Space

						Market F	resence	
Location			Owned vs. Lea	ased		Agency Space within	# of Agency Leases in	Agency's Leased RSF in
Code	Building Name	Market	(O/L)	Building Size (RSF)	Building Vacancy (USF)	building	that Market	that Market
CA0150	FEDERAL BUILDING	Los Angeles-Long Beach-Anaheim, CA O	wned	1,057,130	153,605	4,463	4	43,242
CO0624	DFC BLDG 810	Denver-Aurora-Lakewood, CO O	wned	679,471	144,746	17,917	6	148,402
NY0128	FEDERAL BLDG201 VARICK ST	New York-Newark-Jersey City, NY-NJ-P O	wned	935,560	138,877	42,696	6	176,205
IL0236	JOHN C. KLUCZYNSKI FED. BLDG	Chicago-Naperville-Elgin, IL-IN-WI O	wned	1,135,634	96,162	47,913	4	53,560
CA0198	JAMES C. CORMAN FED BLDG	Los Angeles-Long Beach-Anaheim, CA O	wned	129,865	65,675	2,620	4	43,242
IL0235	USPO LOOP STATION	Chicago-Naperville-Elgin, IL-IN-WI O	wned	130,683	63,928	-	4	53,560
HI0011	PRINCE J. KUHIO FOB & CTHS	Urban Honolulu, HI O	wned	696,878	60,575	15,268	2	17,377
NY0282	JACOB K. JAVITS FB/CIT	New York-Newark-Jersey City, NY-NJ-P O	wned	2,293,204	55,499	2,596	6	176,205
DC1123	1800 G STREET N W	Washington-Arlington-Alexandria, DC-V/Le	eased	448,210	47,256	52,890	48	5,838,136
MA0153	THOMAS P. O'NEILL JR. FB	Boston-Cambridge-Newton, MA-NH O	wned	670,818	44,750	28,984	2	129,690
MN0036	FEDERAL BUILDING	Minneapolis-St. Paul-Bloomington, MN-\ O	wned	123,127	40,582	23,058	2	28,986
MO0106	ROBT A YOUNG FED BLD	St. Louis, MO-IL O	wned	1,004,693	36,125	1,790	2	1,790
TX0284	E CABELL FOB/USPO/CTHS	Dallas-Fort Worth-Arlington, TX O	wned	898,399	31,156	22,625	2	22,625
PA0277	WM J GREEN JR FB	Philadelphia-Camden-Wilmington, PA-N O	wned	708,975	23,626	3,461	2	24,966
CA0283	EDWARD R ROYBAL FB & CH	Los Angeles-Long Beach-Anaheim, CA O	wned	768,850	21,741	9,055	4	43,242
IL0303	METCALFE BUILDING	Chicago-Naperville-Elgin, IL-IN-WI O	wned	710,656	21,467	5,646	4	53,560
VA0354	ROSSLYN METRO CTR	Washington-Arlington-Alexandria, DC-V/Le	eased	155,083	16,550	66,759	48	5,838,136
PR3928	LA TORRE DE LA PLAZA	Le	eased	42,341	15,965	1,963	-	-
AZ0058	FEDERAL BUILDING	Tucson, AZ O	wned	114,457	15,292	2,458	2	28,726
VT0018	FEDERAL BLDG USPO&CU	Burlington-South Burlington, VT O	wned	43,290	12,855	10,012	1	10,012





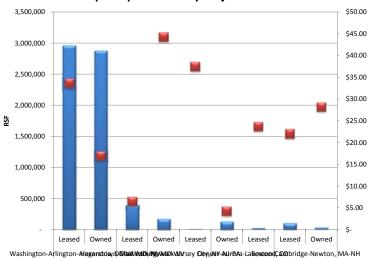
Nationwide Rates per Square Foot



Agency Name DEPARTMENT OF STATE
Bureau Name (All)

	RSF Average	e Rate per Square Foot
Leased	4,008,299 \$	29.62
Owned	3,464,523 \$	20.56
Grand Total	7,472,822 \$	25.86

Rates per Square Foot by Major Metro Area



■RSF ■Average of Rate per Square Foot

Agency Name (All) Bureau Name (All)

Metro Area	RSF	Average	of Rate per Square Foot
Washington-/	5,838,136	\$	29.25
Leased	2,961,515	\$	33.60
Owned	2,876,621	\$	16.86
Hagerstown-I	400,140	\$	6.46
Leased	400,140	\$	6.46
New York-Ne	176,205	\$	42.76
Owned	171,168	\$	44.27
Leased	5,037	\$	37.47
Denver-Auror	148,402	\$	10.70
Owned	127,674	\$	4.22
Leased	20,728	\$	23.67
Boston-Camb	129,690	\$	26.63
Leased	100,706	\$	22.07
Owned	28,984	\$	28.15
Grand Total	6,692,574	\$	28.92



Rent Gap Analysis



DEPARTMENT OF STATE

Agency Name Bureau Name (All) Leased (Multiple Items) Owned/Leased FRPC Property Type Submarket Rate per SF (Multiple Items) *Excludes OA's < 10% above market

OA Number	Lease ID	Earliest Termination FY (Bec	Building Name	GSA Rate	Approx. Submarket Rate	Rent Gap %	Potential Annual Rent Savings
AGA03508	LGA48141	2017	230 PEACHTREE BLDG	\$20.28	\$14.45	28.74%	\$ 97,598
AMN03976	LMN17802	Available Now	330 2ND AVENUE BUILDING	\$24.13	\$18.07	25.13%	\$ 35,951
Grand Total				\$44.41	\$32.52	53.86%	\$ 133,549



Data as of March 2014 Page 22 of 22

Note: Submarket rates are approximations based on a building's location. Rates do not account for the condition of an asset, building class (A, B, or C), or unique

circumstances.